



Revision number: 1

Freight Manager: Daniel Reisner

Phone: 801-538-3216

Email: dreisner@utah.gov

Item: LTL Freight Transportation Services

Vendor: 94090A UPS Freight
2900 West California Ave.
Salt Lake City, Utah 84104

Internet Homepage: www.upsfreight.com

Contract mgr: Penny Shackelford
Voice: (801) 973-4339 x 2827
Fax number: (801) 977-0904
Email: pdshackelford@upsfreight.com

Utah Customer Service: Stephanie Heuett
Voice: (801) 397-6193
Fax: (801) 397-6160
Email: sheuett@upsfreight.com

Brand/trade name: UPS Freight

Price: See Pricing Information
Terms: Net 30
Effective dates: 05/01/06 through 04/30/07
Price guarantee period: 1 year

Renewal options: 4 additional one-year options.

Quarterly Reports Provided by: Penny Shackelford, pdshackelford@upsfreight.com

Revision: #1 Overnite Transportation has merged with UPS to become UPS Freight. The contract pricing, terms and conditions remain the same. New local customer service representative and changes to phone numbers, fax numbers and email addresses.

Remit to: (94090A A) UPS Freight
P.O. Box 79755
Baltimore, MD 21279-0755

This contract covers only those items listed in the price schedule. It is the responsibility of the agency to ensure that other items purchased are invoiced separately. State agencies will place orders directly with the vendor (creating a PG in Finet) and make payments for the same on a PV referencing the original PG. Agencies will return to the vendor any invoice which reflects incorrect pricing.

**SUMMARY OF PRICE AGREEMENT**

THIS CONTRACT IS FOR LESS THAN TRUCKLOAD (LTL) SHIPMENTS THAT HAVE ACTUAL WEIGHTS OF UP TO 10,000 LBS., AND DO NOT EXCEED 28 LINEAR FEET OF A VEHICLE. RATES APPLY TO BOTH INTERSTATE, UTAH INTRASTATE AND CANADIAN SHIPMENTS. HIGHER RATES MAY APPLY FOR SHIPMENTS OF LIGHT OR BULKY ARTICLES. SHIPMENTS TAKING MORE THAN 12 FEET (or SIX PALLETS) TRAILER DECK SPACE SHOULD BE VERIFIED FOR APPLICABLE CONTRACT RATES.

RATES APPLY TO SHIPMENTS WITHIN THE CONTINENTAL UNITED STATES ON BOTH AN **INTERSTATE** AND **INTRASTATE** BASIS AS FOLLOWS:

SHIPMENT TYPE:	DIRECT POINTS SERVED BY CARRIER (See carrier service guide for application of direct points)
RATE APPLICATION:	OUTBOUND PREPAID, INBOUND COLLECT, THIRD PARTY PREPAID BY STATE.
ORIGIN:	MOVEMENT TYPE: INTERSTATE AND INTRASTATE ALL POINTS SERVED DIRECT WITHIN THE CONTINENTAL UNITED STATES.
DESTINATION:	ALL POINTS SERVED DIRECT WITHIN CONTINENTAL UNITED STATES.
BASE RATES:	OVNT 560, EFFECTIVE 05/02/2005. (Rate CD version 9.0) <u>OVNT Pricing Group: 00189440</u>
DISCOUNT:	73% DISCOUNT
CLASS EXCEPTION:	FAK 55, for classes 50-125; all other classes move at actual class rates.
MINIMUM CHARGE:	Absolute floor minimum charge: \$58.30
FUEL SURCHARGE:	Fuel surcharge in carrier Rules Tariff applies. The fuel surcharge will be based on the U.S. Average rate per gallon posted weekly at www.eia.doe.gov . If DOE national average per gallon drops below \$1.70 per gallon the fuel surcharge will be waived.
RULES TARIFF:	Applies for all shipments. Note: All shipments of 750 cubic feet or more having a density of 6 lbs. per cubic foot (PCF) will be subject to cubic capacity minimum charge.

SHIPMENT TYPE:	JOINTLINE (INTERLINE)
RATE APPLICATION:	SAME AS DIRECT POINT APPLICATION
MOVEMENT TYPE:	INTERSTATE AND INTRASTATE
ORIGIN:	ALL POINTS IN THE CONTINENTAL UNITED STATES
DESTINATION:	ALL POINTS IN THE CONTINENTAL UNITED STATES
BASE RATES:	SAME AS DIRECT POINT RATES.



DISCOUNT: **73% DISCOUNT**
CLASS EXCEPTION: **FAK 55, for classes 50-125**, all other classes move at actual class rates.
MINIMUM CHARGE: Absolute floor for joint line shipments: \$90.00
FUEL SURCHARGE: Application same as for direct shipments.

SHIPMENTS TO AND FROM: **CANADA**
APPLICATION: INBOUND COLLECT, OUTBOUND PREPAID AND THIRD PARTY.

CALL UPS FREIGHT CUSTOMER SERVICE FOR
ADDITIONAL CHARGES THAT APPLY TO CANADIAN
OUTBOUND AND INBOUND SHIPMENTS
CALL: 804-291-5443 -- UPS FREIGHT SPECIALTY MARKETS
Or 800-333-7400
MINIMUM CHARGE: Absolute floor minimum: \$90.00

CARRIER LIABILITY: Carrier liability shall not exceed actual invoice value, limitations provided in the NMFC, \$25.00 per pound per shipment or \$100,000 whichever is less. Class exception, used articles, and specific NMFC items are subject to special liability provisions. Refer to OVNT Rules Tariff UPGF 102 (see UPS Freight Home page) for complete liability. Agencies should refer to State Risk Management coverage if any questions.

RATES DO NOT APPLY ON SHIPMENTS MOVING FROM OR TO TRADE SHOWS.
CALL CARRIER IF TRADE SHOW SHIPMENT IS CONTEMPLATED FOR QUOTE.

IN NO CASE SHALL THE AFTER DISCOUNT CHARGE FALL BELOW THE
ESTABLISHED ABSOLUTE FLOOR MINIMUM CHARGE.

PRICING APPLIES FOR NORMAL TRANSIT TIME SERVICE STANDARDS AND DOES
NOT INCLUDE ANY GUARANTEED, PREMIUM, OR EXPEDITED SERVICES OFFERED
BY OVERNITE.

ALL CARRIER FREIGHT BILLS SHOULD BE REVIEWED FOR ACCURACY PRIOR TO
PAYMENT. INCORRECT FREIGHT BILLS SHOULD BE RETURNED TO CARRIER FOR
A CORRECTED FREIGHT BILL PRIOR TO PAYMENT.



TO SCHEDULE **US/US** SHIPMENT PICK-UP CALL: 1-800-333-7400.

TO SCHEDULE **US/CN** SHIPMENTS CALL: 1-800-730-5151.

FOR FREE CONTRACT RATE DISKS CONTACT PENNY SHACKELFORD AT UPS FREIGHT IN SALT LAKE CITY AT 801-973-4339 X 2827 OR DAN REISNER, STATE FREIGHT MANAGER AT 801-538-3216.

NOTE: CHARGES IN CONNECTION WITH SPECIAL SERVICES SUCH AS EXCLUSIVE USE OF TRAILER, INSIDE DELIVERY, STORAGE, DIVERSION, ETC. WILL BE DETERMINED FROM UPS FREIGHT 102 RULES TARIFF AND ARE NOT SUBJECT TO DISCOUNT. HIGHER RATES MAY APPLY FOR SHIPMENTS OF LIGHT OR BULKY ARTICLES. RECOMMEND VERIFICATION OF COSTS WITH CARRIER PRIOR TO SHIPMENT. IF RATE QUOTES ARE REQUESTED FROM CARRIER HAVE CARRIER FAX CONFIRMING COPY OF RATES FOR YOUR RECORDS. SEE UPS FREIGHT RULES TARIFF FOR CUBE CALCULATION.

SHIPMENT BILLS OF LADING MUST SHOW "**STATE OF UTAH**" ON FIRST LINE AS SHIPPER OR THIRD PARTY ON PRE-PAID SHIPMENTS OR AS CONSIGNEE ON COLLECT SHIPMENTS:

EXAMPLE: STATE OF UTAH, DEPARTMENT OF TRANSPORTATION
STATE OF UTAH, UNIVERSITY OF UTAH
STATE OF UTAH, CITY OF ST. GEORGE
STATE OF UTAH, SALT LAKE COUNTY

FOR INTERNAL USE ONLY:
FINET COMMODITY CODE(S):
96286 TRANSPORTATION OF GOODS (FREIGHT)

Overnite Transportation, a UPS Company



State of Utah Invitation to Bid State Cooperative Contract

Company Name Overnite Transportation Company		Federal Tax Identification Number 540481236	
Ordering Address 1000 Semmes Ave	City Richmond	State VA	Zip Code 23218
Remittance Address (if different from ordering address) P.O. Box 79755	City Baltimore	State MD	Zip Code 21279
Type <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship <input type="checkbox"/> Government		Company Contact Person Russ Kingery	
Telephone Number (include area code) 804-291-5725	Fax Number (include area code) 804-231-8540	Email Address RCKingery@overnite.com	
Discount Terms (for bid purposes, bid discounts less than 30 days will not be considered) None		Days Required for Delivery After Receipt of Order (see attached for any required minimums) See Transit schedule	
Brand/Trade Name Overnite Transportation		Price Guarantee Period (see attached specifications for any required minimums) 30 Days	
Minimum Order		Company's Internet Web Address www.overnite.com	

The undersigned certifies that the goods or services offered are produced, mined, grown, manufactured, or performed in Utah. Yes ☐ No ☐. If no, enter where produced, etc.

Offeror's Authorized Representative's Signature Russ Kingery <i>Russ Kingery</i>	Print or type name and title Russ Kingery/ Manager Contracts	Date 3/22/2006
State of Utah Division of Purchasing Approval Douglas G. Richins, Director <i>DG Richins</i>	Date 3/28/06	Contract Number PD-136

Note: When approved and signed by the State Director of Purchasing, this document becomes the contract.

INVITATION TO BID - INSTRUCTIONS AND GENERAL PROVISIONS

DATE: March 20, 2006

FROM: Mr. Russ C. Kingery
Manager – Corporate Contracts
Overnite Transportation Company
804-291-5725 Phone, 804-231-8540 Fax, RCKingery@Overnite.com

Signed: Russ C. Kingery

SUBJ: Request for Proposal – State of Utah Bid# DR 6916 (RFP Depot)

As part of our bid review process, we have reviewed the Standard Contract Terms and Conditions and the Special Terms and Conditions included with the RFP. Listed below are our change recommendations on the agreement.

Our changes are being submitted along with our pricing proposal. Our proposal is based on acceptance or willingness to negotiate these amended terms and conditions.

Standard Contract Terms and Conditions

Article 4. RECORDS ADMINISTRATION

Second sentence modify as follows, "These records will be retained by the Contractor for at least three (3) years after shipment delivery date, or for audits initiated during that period, until all audits have been completed, whichever is later."

Article 15. WARRANTY

Add the following to the end of this section, "Notwithstanding the above, Contractors warranty for transportation services is for reasonable dispatch as determined under the Special Terms and Conditions Section X. A. 4."

Article 38. CONFLICT OF TERMS

Amend the second sentence as follows, "In the event of any conflict in the contract terms and conditions, the order of precedence shall be: 1. DR6916 Special Terms and Conditions ("and as amended by this document"); State of Utah Standard Contract Terms and Conditions; Contractor Terms and Conditions."

DR6916 Special Terms and Conditions

Article IX. INSURANCE

Amend the last sentence as follows, "All liability policies provided must name the Shipper (State of Utah) as both a certificate holder and as an additional insured (to the extent of Carriers obligations to indemnify Shipper."

DRR

Article X. PREFERRED CONDITIONS, NEEDS/REQUIREMENTS

A. SERVICES

Paragraph 4, insert a new second sub-paragraph as follows:

Carrier and Shipper agree the services provided under the prices shown herein are Carrier's normal service offerings and unless otherwise specifically indicated, do not include premium, guaranteed or expedited services where guaranteed pickup and/or delivery times are required. Normal standard service includes the loading and counting of the freight at origin by Carrier (except where Shipper loading is required), line haul service, and the unloading and counting of freight at destination by Carrier (except where Consignee unloading is required) under the service standards (transit times) as advertised by CARRIER at its web site. Additional charges may apply for services beyond normal standard service.

D. PAYMENT OF FREIGHT CHARGES

Insert a new second sub-paragraph as follows:

Payment by Shipper will be made within thirty (30) days of date shown on Carrier's invoice. Shipper shall remit payment to Carrier at PO Box 79755 Baltimore, MD 21279 including specific remittance advice (Carrier freight bill number).

Article XI. CONFLICT OF TERMS

Reword this paragraph as follows, "In the event of any conflict in the contract terms and conditions, the order of precedence shall be: 1. DR6916 Special Terms and Conditions ("and as amended by this document"); State of Utah Standard Contract Terms and Conditions; Contractor Terms and Conditions."

Add new Article XVI. OVERCHARGE AND UNDERCHARGE CLAIMS

Any action by Carrier to recover undercharges alleged to be due hereunder, and any action by Shipper to recover overcharges alleged to be due hereunder, shall be commenced not more than 180 days after the receipt by Carrier of the shipment with respect to which such undercharges or overcharges are claimed. To the extent permitted by applicable law, the expiration of the said 180 day period shall be a complete and absolute defense to any such action, without regard to any mitigating or extenuating circumstance or excuse whatsoever, unless the party named as defendant in any such action has expressly agreed in writing to waive such defense in whole or in part. The provisions of this paragraph shall survive the termination, expiration or cancellation of this Agreement.

Add a new Article XVII. Notices

When to Carrier the following address shall be used.

Overnite Transportation Company
1000 Semmes Ave.
Richmond, VA 24224
Attn: Contract Administration

RULES TARIFF

This will be addressed in the Pricing proposal.

ph
DPR

From: <RCKingery@Overnite.com>
To: "Dan Reisner" <DREISNER@utah.gov>
Date: 3/24/2006 7:04:24 PM
Subject: Bid DR6916 * RFP Clarification - Follow Up

Dan,

Enclosed below is a copy of our revisions to the Terms and Conditions.

(See attached file: DR# 6916 Terms & Cond.PDF)

We will accept a "bottom" limit on the Fuel Surcharge of \$1.70 per gallon.

Customer Service contact information for US/US is 800-333-7400 and for US/CN is 800-730-5151.

I'm still working on a new disk and will advise when I have a solution.

Russ C. Kingery
Manager - Contracts & Tariffs
Overnite
A UPS Company
1000 Semmes Ave.
Richmond, VA 23224

804-291-5725 PH
804-291-5076 FX

NOTE: THIS DOCUMENT MAY CONTAIN CONFIDENTIAL AND NONPUBLIC INFORMATION. IT IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL(S) OR ENTITY(IES) NAMED ABOVE, AND OTHERS SPECIFICALLY AUTHORIZED TO RECEIVE IT. If you are not the intended recipient of this document, you are notified that any review, dissemination, distribution or copying of this communication is prohibited. If you have received this communication in error, please notify me immediately by return email, delete the electronic message and destroy any printed copies. Thank you for your cooperation.

CC: <PDShackelford@Overnite.com>, <BWilson@Overnite.com>,
<TMNash@Overnite.com>

DRR

Overnite Transportation, a UPS Company

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH**

XVI: NOTICES

All notices concerning this price agreement shall be in writing and deemed sufficient if given in writing and sent to the party being noticed in person, or received by recipient via first-class mail, with sufficient postage properly affixed, including express delivery service, or electronic mail, at the address shown below. Carrier must complete the following:

SHIPPER NOTICES

Daniel R. Reisner
Freight Manager
State of Utah
Division of Purchasing
3150 State Office Building
Capitol Hill
Salt Lake City, UT 84114-1061
Phone: 801-538-3216
Fax: 801-538-3882
E-mail: dreisner@utah.gov

CARRIER NOTICES

(Carrier to complete)

Penny Shackelford

Account Manager

2900 W. California Ave

Salt lake City, UT 84104

866-553-1068

Name of person, e-mail address and other contact information for the person(s) responsible for submitting required quarterly reports must be provided:

Penny Shackelford
PDS Shackelford@overnite.com
Phone: 866-553-1068
Fax: 801-973-6487

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH**

PRICING AND INFORMATION WORKSHEET

APPLICABLE ACCOUNT NAME(S)

State of Utah, other state governmental agencies and political subdivisions such as colleges, universities, school districts, cities, counties, etc.

<http://www.rfpdepot.com/DPX/ut/utah?ac=supterms&view=view&auc=87692&rndid=&supplierid=14262...> 3/23/2006

GOVERNING PUBLICATIONS incorporated by reference:

National Motor Freight Classification -- STB NMF 100-AF Series or subsequent re-issues.
 Postal Zip Code Directory
 Service Guide in effect at time of contract award.
 Rules Tariff in effect at time of contract award.

COMMODITY DESCRIPTION

Freight All Kinds (general commodities)

INSURANCE: Coverage included with base rates in dollars and cents per pound **see attachment of Overnite 102 Tariff Item 166-A**. Cost for additional shipment insurance: **See attachment of Overnite 102 Tariff Item 166-1-A**. Carrier must include any additional information concerning maximum liability on released or declared value commodities or other related information that may not be listed in Carrier's Rules Tariff.

Note: Any insurance amount per pound listed above will apply to all FAK offered by carrier, except as may be limited for the commodity item shipped in the NMFC released value coverage.

NON APPLICATION (Describe in detail)

List any non-application(s) of rates and charges not already listed in Rules Tariff.

CARRIER MANAGEMENT

The carrier should provide a copy of their annual report or describe its strategic plan for future growth:

The carrier should describe its Quality Program if not already described in the annual report:

Total year 2005 Operating Revenue: **1,675,008.00**

Calendar year 2005 Operating Ratio: **93.9**

DR6916 SPECIAL TERMS AND CONDITIONS LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES FOR THE STATE OF UTAH

APPLICATION OF RATES AND CHARGES (Carrier may attach a pricing sheet responding to all of the following).

1. INBOUND
2. OUTBOUND
3. THIRD PARTY
4. FREIGHT CLASS FAK - **FAK 55 ON CL 50 TO CL 125**

DISCOUNT -- Describe application for both **direct** and **interline** shipments:

		<u>DIRECT SHIPMENTS</u>	<u>INTERLINE SHIPMENTS</u>
1.	INBOUND	73%	73%
2.	OUTBOUND	73%	73%
3.	THIRD PARTY	73%	73%
4.	INTRASTATE	73%	73%
5.	Minimum Charge:	\$58.30	\$90.00
	LTL Maximum Wt:	19,999lbs	19,999lbs
	Max Linear Feet:	See attached Overnite 102 Tariff Item 120	See attached Overnite 102
	Tariff Item 120		

Vendor Response Form**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH****XVI: NOTICES**

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SHIPPER NOTICES

Daniel R. Reisner
Freight Manager
State of Utah
Division of Purchasing
3150 State Office Building
Capitol Hill
Salt Lake City, UT 84114-1061
Phone: 801-538-3216
Fax: 801-538-3882
E-mail: dreisner@utah.gov

CARRIER NOTICES

(Carrier to complete)

Penny Shackelford

Account Manager

2900 W. California Ave

Salt Lake City, UT 84104

866-553-1068

Name of person, e-mail address and other contact information for the person(s) responsible for submitting required quarterly reports must be provided:

Penny Shackelford
PDS Shackelford@overnite.com
Phone: 866-553-1068
Fax: 801-973-6487

Standard Contract Terms and Conditions State of Utah, State Cooperative Contract

- 1. AUTHORITY:** Provisions of this contract are pursuant to the authority set forth in 63-56, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the STATE to purchase certain specified services, and other approved purchases for the STATE.
- 2. CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE:** The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake Co.
- 3. LAWS AND REGULATIONS:** The Contractor and any and all supplies, services, equipment, and construction proposed and furnished under this contract will comply fully with all applicable Federal and State laws and regulations.
- 4. RECORDS ADMINISTRATION:** The Contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records will be retained by the Contractor for at least four years after the contract terminates, or until all audits initiated within the four years have been completed, whichever is later. The Contractor agrees to allow the State and Federal auditors, and State agency staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.
- 5. CONFLICT OF INTEREST:** Contractor certifies that it has not offered or given any gift or compensation prohibited by the laws of the State of Utah to any officer or employee of the STATE or participating political subdivisions to secure favorable treatment with respect to being awarded this contract.
- 6. INDEPENDENT CONTRACTOR:** Contractor will be an independent Contractor, and as such will have no authorization, express or implied to bind the STATE to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for the STATE, except as expressly set forth herein. Compensation stated herein will be the total amount payable to the Contractor by the STATE. The Contractor will be responsible for the payment of all income tax and social security tax due as a result of payments received from the STATE for these contract services. Persons employed by the STATE and acting under the direction of the STATE will not be deemed to be employees or agents of the Contractor.
- 7. INDEMNITY CLAUSE:** The Contractor will release, protect, indemnify and hold the STATE and the respective political subdivisions and their officers, agencies, employees, harmless from and against any damage, cost or liability, including reasonable attorney's fees for any or all injuries to persons, property or claims for money damages arising from acts or omissions of the Contractor, his employees or subcontractors or volunteers.
- 8. EMPLOYMENT PRACTICES CLAUSE:** The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.
- 9. SEVERABILITY:** If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.
- 10. RENEGOTIATION OR MODIFICATIONS:** The terms of this contract will not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the State Director of Purchasing. Automatic renewals will not apply to this contract.
- 11. DEBARMENT:** The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the STATE. The Contractor must notify the State Director of Purchasing within 30 days if debarred by any governmental entity during the Contract period.
- 12. TERMINATION:** Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon 90 days prior written notice being given the other party. On termination of this contract, all

accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.

13. NONAPPROPRIATION OF FUNDS: The Contractor acknowledges that the State cannot contract for the payment of funds not yet appropriated by the Utah State Legislature. If funding to the State is reduced due to an order by the Legislature or the Governor, or is required by State law, or if federal funding (when applicable) is not provided, the State may terminate this contract or proportionately reduce the services and purchase obligations from the State upon 30 days written notice. In the case that funds are not appropriated or are reduced, the State will reimburse Contractor for products delivered or services performed through the date of cancellation or reduction, and the State will not be liable for any future commitments, penalties, or liquidated damages.

14. TAXES: Proposal prices will be exclusive of state sales, use and federal excise taxes. The State of Utah's sales and use tax exemption number is E33399. The tangible personal property or services being purchased are being paid from STATE funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract, or contract orders. The State of Utah's Federal excise exemption number is 87-780019K.

15. WARRANTY: The Contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The Contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the Contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the STATE has relied on the Contractor's skill or judgment to consider when it advised the STATE about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the STATE has not been warned. Remedies available to the STATE include the following: The Contractor will repair or replace (at no charge to the STATE) the product whose nonconformance is discovered and made known to the Contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.

16. PARTICIPANTS: This is a contract to provide the State of Utah government departments, institutions, agencies and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) with the goods and/or services described in the proposal.

17. POLITICAL SUBDIVISION PARTICIPATION: Participation under this contract by political subdivisions (i.e., colleges, school districts, counties, cities, etc.) will be voluntarily determined by the political subdivision. The Contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

18. QUANTITY ESTIMATES: The STATE does not guarantee to purchase any amount under the contract to be awarded. Estimated quantities are for proposing purposes only and are not to be construed as a guarantee to purchase any amount.

19. DELIVERY: The prices proposed will be the delivered price to any state agency or political subdivision. Unless otherwise specified by the State, all deliveries will be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the Buyer except as to latent defects, fraud, and Contractor's warranty obligations. The minimum shipment amount will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back ordered will be shipped without transportation charges.

20. REPORTS: The Contractor will submit quarterly reports to the State Purchasing Agent showing the quantities and dollar volume of purchases by each agency and political subdivision.

21. PROMPT PAYMENT DISCOUNT: Offeror may quote a prompt payment discount based upon early payment; however, discounts offered for less than 30 days will not be considered in making the award. The prompt payment discount will apply to payments made with purchasing cards and checks. The date from which discount time is calculated will be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date will be the date of acceptance of the merchandise.

22. FIRM PRICES: Unless otherwise stated in the special terms and conditions, for the purpose of award, offers made in accordance with this solicitation must be good and firm for a period of ninety (90) days from the date of proposal opening.

23. PRICE GUARANTEE, ADJUSTMENTS: The contract pricing resulting from this proposal will be guaranteed for the

period specified. Following the guarantee period, any request for price adjustment must be for an equal guarantee period, and must be made at least 30 days prior to the effective date. Requests for price adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the contract will not be effective unless approved by the State Director of Purchasing. The STATE will be given the immediate benefit of any decrease in the market, or allowable discount.

24. ORDERING AND INVOICING: Orders will be placed by the using agencies directly with the Contractor. All orders will be shipped promptly in accordance with the delivery guarantee. The Contractor will then promptly submit invoices to the ordering agency. The STATE contract number and the agency ordering number will appear on all invoices, freight tickets, and correspondence relating to the contract order. The prices paid by the STATE will be those prices on file with the Division of Purchasing. The STATE has the right to adjust or return any invoice reflecting incorrect pricing.

25. PAYMENT: Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance. Payments may be made via a State of Utah (or political subdivision) "Purchasing Card" (major credit card). All payments to the Contractor will be remitted by mail unless paid by Purchasing Card.

26. MODIFICATION OR WITHDRAWAL OF PROPOSALS: Proposals may be modified or withdrawn prior to the time set for the opening of proposals. After the time set for the opening of proposals, no proposals may be modified or withdrawn.

27. PROPOSAL PREPARATION COSTS: The STATE is not liable for any costs incurred by the offeror in proposal preparation.

28. INSPECTIONS: Goods furnished under this contract will be subject to inspection and test by the Buyer at times and places determined by the Buyer. If the Buyer finds goods furnished to be incomplete or not in compliance with proposal specifications, the Buyer may reject the goods and require Contractor to either correct them without charge or deliver them at a reduced price which is equitable under the circumstances. If Contractor is unable or refuses to correct such goods within a time deemed reasonable by the Buyer, the Buyer may cancel the order in whole or in part. Nothing in this paragraph will adversely affect the Buyer's rights including the rights and remedies associated with revocation of acceptance under the Uniform Commercial Code.

29. PATENTS, COPYRIGHTS, ETC.: The Contractor will release, indemnify and hold the Buyer, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnished or used in the performance of this contract.

30. ASSIGNMENT/SUBCONTRACT: Contractor will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the State Director of Purchasing.

31. DEFAULT AND REMEDIES: Any of the following events will constitute cause for the STATE to declare Contractor in default of the contract: 1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract. The STATE will issue a written notice of default providing a period in which Contractor will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for liquidated or other damages. If the default remains, after Contractor has been provided the opportunity to cure, the STATE may do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages, if liquidated damages are listed in the contract; 4. Suspend Contractor from receiving future proposal solicitations.

32. FORCE MAJEURE: Neither party to this contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The STATE may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.

33. HAZARDOUS CHEMICAL INFORMATION: The Contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to the user agency. All safety data sheets and labels will be in accordance with each participating state's requirements.

34. NON-COLLUSION: By signing the proposal, the offeror certifies that the proposal submitted has been arrived at independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the Solicitation, designed to limit independent proposing or competition.

35. PUBLIC INFORMATION: Except as identified in writing and expressly approved by the State Division of Purchasing, Contractor agrees that the contract and related Sales Orders and Invoices will be public documents, as far as distribution of copies, and Contractor gives the STATE express permission to make copies of the contract, the response to the solicitation, and related Sales Orders and Invoices in accordance with the State of Utah Government Records Access and Management Act. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary

information, or copyright information.

36. PROCUREMENT ETHICS: The Contractor understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the State of Utah is violating the law if the person gives or offers to give any compensation, gratuity, contribution, loan or reward, or any promise thereof to any person acting as a procurement officer on behalf of the State, or who in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization (63-56-1002, Utah Code Annotated, 1953, as amended).

37. ENERGY CONSERVATION AND RECYCLED PRODUCTS: The contractor is encouraged to offer Energy Star certified products or products that meet FEMP (Federal Energy Management Program) standards for energy consumption. The State of Utah also encourages contractors to offer products that are produced with recycled materials, where appropriate, unless otherwise requested in this solicitation.

38. CONFLICT OF TERMS: Contractor Terms and Conditions that apply must be in writing and attached to the contract. No other Terms and Conditions will apply to this contract including terms listed or referenced on a Contractor's website, terms listed in a Contractor quotation/sales order, etc. In the event of any conflict in the contract terms and conditions, the order of precedence shall be: 1. Attachment A: State of Utah Standard Contract Terms and Conditions; 2. State of Utah Contract Signature Page(s); 3. Additional State Terms and Conditions; 4. Contractor Terms and Conditions.

39. ENTIRE AGREEMENT: This Agreement, including all Attachments, and documents incorporated hereunder, and the related State Solicitation constitutes the entire agreement between the parties with respect to the subject matter, and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written. The terms of this Agreement shall supersede any additional or conflicting terms or provisions that may be set forth or printed on the Contractor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of the Contractor that may subsequently be used to implement, record, or invoice services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of the State. The parties agree that the terms of this Agreement shall prevail in any dispute between the terms of this Agreement and the terms printed on any such standard forms or documents, and such standard forms or documents shall not be considered written amendments of this Agreement.

Revision date: 2 Feb 2006

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH**

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I. PURPOSE

The purpose of this Invitation to Bid (ITB) is to obtain bids from qualified Carriers to enter into a one year contract for the transportation of less-than-truckload (LTL) dry freight shipments designed to meet the needs of the State of Utah (Shipper).

II. SCOPE OF WORK

The scope of this ITB includes the interstate and intrastate transportation of outbound prepaid, inbound collect and third party prepay shipments where the Shipper is the payor of the freight charges on the bill of lading at the time of shipment and will apply for LTL shipments of dry freight all kinds (FAK) for the State of Utah. This price agreement is only intended to cover standard less-than-truckload (LTL) shipments of general commodities.

Carrier shall also agree to furnish the specialized transportation services as described herein to other state governmental agencies and political subdivisions of the State of Utah such as colleges, universities, school districts, cities, counties, etc., under the same terms and conditions. These entities are understood to be included in the meaning of Shipper for the purposes of this agreement.

The estimated total LTL shipping in calendar year 2005 is as follows:

<u>Shipments</u>	<u>Avg. Miles</u>	<u>Avg. Wt</u>	<u>Average Class</u>	<u>Spend</u>
1214	1293	1224	72	\$317,210

The foregoing estimated tonnage and spend is not a guarantee of a specific number of shipments or total volume. The Shipper does not guarantee to ship any specific number of LTL shipments, i.e., no minimum annual volume.

The State may award one or more contracts as a result of this ITB.

III. PERIOD OF PERFORMANCE

The initial contract shall be for a period of one year and may be renewed for up to four additional annual periods upon mutual agreement of both the Carrier and Shipper for a maximum period of five years. The agreement may be cancelled by either party at any time, including the initial term, upon thirty (30) days written notice.

IV. CONTRACT ACCEPTANCE

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH**

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At the time the bid submitted by the Carrier, the submission of the Carrier will legally binding if awarded a contract. When signed by the State Director of Purchasing and assigned a contract number, this document will become a legally binding contract with the Carrier for the contract period specified. **The effective date for the new contract will be May 1, 2006.**

V. PRICING

Pricing shall be considered firm for the first year of the contract unless modified by the parties in writing. Price adjustments may be allowed for subsequent years provided the adjustment is made owing to legitimate increases in the Carriers operating expenses, e.g., fuel (i.e. DOE Diesel Price Index), taxes, labor, etc. and the Carrier agrees to adjust pricing accordingly should legitimate decreases in operating expenses occur.

The meaning of the terms "contract" and "price agreement" for the purpose of this bid and subsequent contract award are the same.

Written notice of any increase must be received by the Freight Manager, State of Utah, Division of Purchasing at least thirty (30) days prior to the effective date of the increase. Increases shall not be effective unless they are approved by the Director of State Purchasing. The terms and conditions of this agreement will not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the parties.

The prices paid by the Shipper will be those prices listed in the Schedule of Rates and referenced documents attached to this contract on file with the Division of State Purchasing.

VI. PRICING REQUIREMENTS

Carriers shall complete and submit as part of their bid the attached Pricing and Information Summary Worksheet. This may be either electronically or hard copy.

All United States and Canadian rates, charges or discounts in this ITB shall be based on the Overnite Transportation Company rates in OVNT560 (Version 9.0) effective May 2, 2005.

The rates will be based on classifications set forth in the STB National Motor Freight

Classification (NMF 100-AF) series or subsequent reissues. Any Carrier awarded a contract must be a party to and be listed as a participating carrier in the NMFC.

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
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The Carrier Rules and Accessorial Services Tariff and Service Guide in effect at time of contract award will apply and become part of this contract by reference.

Carrier awarded contract will provide either electronic or hard copies of Rules Tariff and Service guide to qualified users upon request. The Rules Tariff and Service Guide in effect at time of contract award will apply for the term of the contract unless otherwise agreed to by the parties.

VII. COMPLIANCE WITH LAW

The Carrier shall comply with all laws, rules and regulations (federal, state and municipal), that may have application to the transportation services provided for the Shipper, and shall indemnify and hold harmless the Shipper from and against any failure of the Carrier to comply with any such laws, rules and regulations, to the extent provided by law. The Shipper shall not be responsible to the Carrier for fines and penalties incurred by Carrier or its employees for speeding, reckless driving or any other infraction or violation of the law, and Carrier shall indemnify and hold harmless the State from and against any and all liability with respect thereto.

VIII. QUALIFICATIONS OF CARRIERS

The Shipper and Carrier agree that each and every shipment for which applicable pricing is listed in the pricing attachment, and Shipper is the paying party, tendered to the Carrier under the contract shall be deemed a tender to the Carrier as a motor contract carrier pursuant to the provisions of 49 U.S.C. Section 14101(b) regardless of whether Carrier has common carrier authority. The Carrier represents and warrants that it holds all necessary operating authority to transport, as a motor contract carrier, freight as described in this contract in interstate or foreign commerce from, to or between all points and places in the United States and to lawfully furnish to Shipper all of the transportation and related services for LTL dry freight commodities. Carrier further warrants that a true, correct and complete copy of its operating permit is attached to the bid response. Carrier agrees to immediately notify Shipper of any suspension or revocation of any such permit or operating authority during the course of any awarded contract. Carrier further represents and warrants that it has not, and during the term of this contract, will not request,

pursuant to 49 U.S.C. Section 14501 (c)(B)(ii), to be subject to any law, regulation or provision that purports to create any right or obligation that is inconsistent with the

provision of this contract.

The Carrier must be able to demonstrate an established, successful track record of past performance in duties and responsibilities related to interstate transportation of shipments

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH**

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as described herein. This can be established by providing a copy of the Carrier annual report, reports to the STB, or balance sheets and income and expense statements. Bidders must submit a statement of qualifications which will include as a minimum the names, telephone numbers, and addresses of three references of companies or institutions for whom similar services have been performed within the past 24 months. Preferably at least one reference provided will be from a local firm, agency or division, and at least one reference provided from a national firm or agency.

Carrier must be able to serve all LTL transportation needs of the state on a through rate basis with one bill of lading and one freight bill per shipment. All shipments, interstate and intrastate, tendered by the State to the Carrier, via the Carrier's designated web site or toll free number, in either direct or interline service will be covered by the contract.

IX. INSURANCE

Prior to performing any transportation services under contract, Carrier shall furnish to Shipper certificates from insurance companies satisfactory to Shipper evidencing that Carrier is covered by insurance of the kinds and amounts set forth below. Each such policy shall contain a provision that no cancellation or material change in coverage shall be made without at least thirty (30) days prior written notice to Shipper. Without limiting the generality of the foregoing, such insurance shall fully insure Carrier against Carrier liability imposed by law and all liability assumed. Carrier shall require all sub-haulers they use, if any, to obtain and maintain insurance of the types and amounts set forth below:

Insurance required:

1. General Public Liability Insurance
Minimum Limits of Coverage:

Bodily Injury	\$1,000,000
Property Damage	500,000

2. Auto Liability Insurance
Minimum Limits of Coverage:

Bodily Injury	\$1,000,000
Property Damage	500,000

3. Cargo Insurance
Minimum Amount of Coverage \$100,000

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH**

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4. Workmen's Coverage
Statutory Limits

All liability policies provided must name the Shipper (State of Utah) as both a certificate holder and as an additional insured.

X. PREFERRED CONDITIONS, NEEDS/REQUIREMENTS

A. SERVICES

1. Provision of firm rates for one year to meet the State's need to accurately budget and control transportation costs.
2. Problem Resolution: Normal problem resolution regarding shipment pick-up, delivery (associated with day-to-day Carrier operations), claims handling, and incorrect billing, will normally be resolved via local or toll-free long distance service. The bidder shall include Internet home page information and the local names and telephone, e-mail numbers of individuals who are familiar with this contract and who are authorized to resolve problems including, but not limited to, issuance of corrected freight bills, or claims handling assistance. The Carrier shall closely coordinate all services and communications with Shipper personnel.
3. Contract Authority: Include the name(s) and telephone number(s) of the individual(s) authorized to negotiate rates, enter into contracts, and otherwise commit the Carrier to rate agreements.
4. Time is of the essence in Carrier's performance under the contract unless more specifically provided in the contract, or bill of lading. Carrier shall be responsible to transport shipments for the Shipper with prompt and reasonable dispatch; provided, however, that in no event shall the Carrier be required to transport any shipment from origin to destination in less

time than is necessary to fully comply with all applicable safety regulations, giving due consideration to weather and road conditions.

Carrier shall provide good, serviceable equipment as the Shipper may require, properly manned and maintained in good operative condition at times, and shall furnish all necessary accessories or devices to adequately secure and protect Shipper's property.

all

5. Maintenance of a safety program. This should include, but not necessarily be limited to vehicle maintenance and inspection, procedures for driver

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH**

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selection, screening and monitoring.

6. Maintenance of a Satisfactory safety rating with DOT.
7. Carrier must provide a toll free number (or web site) for State use to schedule all shipments moving under this agreement. The Shipper agrees to schedule all shipments accordingly through the provided number and/or originate with web site. It is understood the meaning of "shipment must the carrier" includes all shipments tendered to the carrier by the Shipper and will include, if any, interline carriers, at origin or destination, selected by the Carrier to haul shipments within the scope of this contract.
8. All claims for FAK rated shipments will be processed for commodity items claimed based on their applicable NMFC item and class number. No Carrier rules tariff provision otherwise will apply to the contract.

B. TRACKING CAPABILITY

Carriers shall describe their electronic shipment tracking capability as part of their bid.

C. EQUIPMENT AND FACILITIES

Carriers must be able to demonstrate the ability to provide the transportation services commensurate with the needs of the State (Shipper) as specified herein. Carriers should include as part of their bid information substantiating their ability to provide adequate levels of service. Such information should include but not be limited to:

1. Number of trucks and trailers (including their age) in fleet to meet transportation needs specified and;
2. Description of facilities and operations that may be utilized in the performance of transportation services.

This requirement may be met by stating the above information is available and its location on the Carrier's web site.

D. LOSS OR DAMAGE TO SHIPMENTS

The contractual terms of carriage shall be the same as those contained in the

**DR6916 SPECIAL TERMS AND CONDITIONS
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Domestic Straight Bill of Lading as published in the National Motor Freight Classification (NMFC) in effect during the period covered by this contract. In the event of a conflict between the bill of lading and this contract, this contract shall govern. Such terms apply whether a Uniform Straight Bill of Lading or any other form is issued, and 49 CFR 370 will apply for the purpose of filing loss and damage claims. Carrier assumes responsibility and shall be liable to the Shipper as a motor common carrier for any and all loss of or damage to Shipper's property in accordance with Section 14706 of Title 49 in effect as of the date of this contract, while in Carrier's possession or control or resulting from Carrier's performance or failure to perform hereunder, unless such loss or damage is caused by an act of God, act of war, insurrection, riot, civil war, inherent vice of the property being transported, any act or omission of Shipper or any cause beyond Carrier's control.

The parties acknowledge the Carrier liability is limited in consideration of a lower rate than would otherwise be applicable and that additional liability coverage is available at additional expense. Carrier shall show insurance valuation, in dollars per pound, as well as the cost for additional shipment insurance coverage and any additional liability limitations offered on the Pricing Information Sheet

Claims must be filed within nine months after delivery of the shipment, or in the event of loss, nine (9) months after a reasonable time for delivery has lapsed, and the filing of such a claim is a condition precedent to the institution of a lawsuit. Any suit for claims hereunder shall be filed within two (2) years and a day of notification of disallowance of such claim.

The terms and conditions of the Uniform Straight Bill of Lading shall apply to all shipments, except to the extent that they conflict with those of this agreement. All other bills of lading and freight documents shall serve as receipts for freight only.

Carrier shall provide claims history for the past two years, i.e. ratio of claims to shipments, and the average length of time, in days, it takes to settle claims for loss or damage.

E. PAYMENT OF FEES AND TAXES

Carrier shall pay any and all inspection and license fees and taxes assessed or charged by any governmental authority (federal, state or municipal) for the

transportation services rendered in this contract and shall indemnify and hold harmless Shipper from and against any and all liabilities and claims thereof and shall make all reports required within respect thereto.

F. MANDATORY USAGE REPORT

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH**

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One of the primary goals in administering this contract is to keep accurate records regarding its actual value. The Carrier will be required to provide quarterly usage reports to the Division of Purchasing. All quarterly reports must be submitted, using the Division of Purchasing template, in electronic format via e-mail to:

salesreports@utah.gov The guidelines to be use are listed below. Failure to comply with these guidelines will result in the suspension of cancellation of the contract.

After contract award, Carrier will be provided by e-mail an **Excel** spreadsheet template that includes instructions, sample date and all information that must be provided.

Quarterly Report Submission

All reports submitted are to coincide with the calendar year quarters and date ranges outlined below:

Quarter #1: January 1st through March 31st, due by April 30th

Quarter #2: April 1st through June 30th, due by July 30th.

Quarter #3: July 1st through September 30th, due by October 30th.

Quarter #4: October 1st through December 31st, due by January 30th

Do not provide reports that contain data from two separate calendar years.

Carrier is required to provide the name, e-mail address and other contact information of the person responsible for submitting the quarterly reports and keeping the data up to date.

G. PAYMENT OF FREIGHT CHARGES

The State agrees to pay the Carrier for freight services provided in the amount specified in accordance with the Schedule of Rates and Rules Tariff attached to this contract. Carrier must invoice each state department, agency or political subdivision as provided on the bill of lading and utilizing the terms and provisions of this contract. All freight bills for services rendered must include or be accompanied by detail for each shipment including at least the name and address

of the shipper, purchase order number, pick-up point, the consignee, shipment date, shipment weight, total items, NMFC number(s), contract freight rate or charge, and total transportation charge.

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LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH**

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H. DETAILED INFORMATION

Bids submitted should contain a detailed discussion of each of the preferred conditions as well as other areas of the ITB where information is requested or the Carrier will be considered non-responsive. Carriers may add additional information as they deem necessary.

XI. CONFLICT OF TERMS

In the event of a conflict between any Carrier terms and conditions and State standard terms and conditions or special terms and conditions the State terms and conditions will govern. If there is any conflict between the State standard terms and conditions and special terms and conditions, the special terms and conditions will govern.

XII. ENTIRE AGREEMENT

This contract and its schedules constitute the complete agreement and understanding between the Shipper and Carrier.

XIII. SUBMISSION OF BIDS

The State Division of Purchasing prefers that bids be submitted electronically. Electronic proposals may be submitted through a secure mailbox at RFP Depot, LLC (www.rfpdepot.com) until the date no later than **2:00 P.M., Wednesday, March 22, 2006**. Bids received after the deadline will be late and ineligible for consideration. It is the sole responsibility of the Carrier to ensure their bid reaches RFP Depot, LLC before the closing date and time. There is no cost to the Carrier to submit electronic bids to the

Division of Purchasing via RFP Depot, LLC. If the Carrier chooses to submit the bid

directly to the State Division of Purchasing in writing send the original bid to: State of Utah, Division of Purchasing, 3150 State Office Building, Capitol Hill, Salt Lake City UT

84114-1061 prior to the closing date and time specified. Bids may be modified or withdrawn prior to the time set for opening of bids.

All questions must be submitted through the electronic procurement system. Questions concerning this ITB will be accepted up through 5:00 P.M., March 15, 2006. No questions will be answered after that time. Questions may be answered as they come in or may be compiled into one document and answered via an addendum. Carriers will be notified by email when the addendum has been posted. Carriers should periodically check the electronic procurement system for any answered questions or addenda.

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
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XIV. CONSIDERATION OF BIDS

In the initial phase of the Carrier selection process, all bids received on time will be reviewed. First, non-responsive bids (those not conforming bid specifications) will be eliminated. Second, the remaining bids will be reviewed and those bids that do not provide sufficient evidence to be able to perform services outlined in the bid specifications will be eliminated.

XV. EVALUATION OF BIDS

Evaluation of bids will be based on most favorable price taking into consideration service capabilities including variety and depth of service available and stated ability to meet preferred conditions.



State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Department of Administrative Services

D'ARCY DIXON PIGNANELLI
Executive Director

Division of Purchasing & General Services

DOUGLAS G. RICHINS C.P.M.
Division Director

March 29, 2006

Mr. Russ Kingery
Manager Contracts
Overnite Transportation Company
1000 Seemes Avenue
Richmond VA 23218

RE: Award of Contract

Dear Russ:

The State of Utah is pleased to inform you that Overnite Transportation Company has been awarded contract PD-136 for LTL freight transportation services as a result of bid number DR6916 which opened March 22, 2006.

Enclosed is a copy of the signed contract and a copy of the contract information sheet which will be distributed to state agencies and political subdivisions. It is important that you read all documents enclosed to verify prices, terms, conditions and remittance address. Please inform me immediately if any discrepancies.

The rates from OVNT 560, effective 5/2/2005 (CD rate version 9.0) become effective on May 1, 2006. We will be distributing copies of this rate CDs to agencies once received from your office. Also enclosed is a copy of our letter detailing reporting requirements.

Invoice the agency or political subdivision making the shipments. As always, if there is anything I can do to assist you with the proper implementation of this price agreement please feel free to call. Thank you for your cooperation.

Sincerely,

Daniel R. Reisner
Freight Manager

Attachments

Cc: Penny Shackelford, Overnite Transportation, Salt Lake City

MARSH**CERTIFICATE OF INSURANCE**CERTIFICATE NUMBER
CLE-000094103-07**PRODUCER**Marsh USA Inc.
Three James Center
1051 East Cary Street, Suite 900
Richmond, VA 23219
Attn: RICHMOND.CERTREQUEST@MARSH.COM

GAWC

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

COMPANY

A ACE AMERICAN INSURANCE COMPANY

COMPANY

B

COMPANY

C

COMPANY

D**INSURED**OVERNITE CORPORATION
OVERNITE TRANSPORTATION COMPANY
P.O. BOX 1216
RICHMOND, VA 23218**COVERAGES**

This certificate supersedes and replaces any previously issued certificate for the policy period noted below.

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THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	HDOG21724920	12/31/05	12/31/06	GENERAL AGGREGATE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG \$ 1,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 1,000,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 1,000,000
					MED EXP (Any one person) \$ 10,000
A	AUTOMOBILE LIABILITY	ISAH08008462	12/31/05	12/31/06	COMBINED SINGLE LIMIT \$ 5,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	<input checked="" type="checkbox"/> Includes Trailer Interchange Physical Damage Coverage				
		'\$25,000 LIMIT'			
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: \$
					EACH ACCIDENT \$
					AGGREGATE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
A A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WLRC44335438	12/31/05	12/31/06	<input checked="" type="checkbox"/> WC STATU- TORY LIMITS <input type="checkbox"/> OTH- ER \$
		SCFC44335475 (WI)	12/31/05	12/31/06	EL EACH ACCIDENT \$ 5,000,000
	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input checked="" type="checkbox"/> INCL <input type="checkbox"/> EXCL	'EXCESS WC SEE ATTACHED'			EL DISEASE-POLICY LIMIT \$ 5,000,000
					EL DISEASE-EACH EMPLOYEE \$ 5,000,000
A	OTHER				
A	CARGO LEGAL LIABILITY	LMTH08008504	12/31/05	12/31/06	COVER PROP IN ONE/ALL VEHICLES LIMIT: \$5,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER IS INCLUDED AS ADDITIONAL INSURED ON ABOVE POLICIES, EXCEPT FOR CARGO AND WORKERS COMPENSATION, BUT ONLY AS RESPECTS LIABILITY ARISING OUT OF THE CONTRACT BETWEEN THE CERTIFICATE HOLDER AND THE NAMED INSURED AND WITH RESPECT TO OCCURRENCES ARISING OUT OF THE NEGLIGENCE OF THE NAMED INSURED, THEIR AGENTS OR EMPLOYEES.

CERTIFICATE HOLDERSTATE OF UTAH
DEPARTMENT ADMINISTRATIVE SERVICES
DIVISION OF PURCHASING
CAPITAL HILL
3150 STATE OFFICE BUILDING
P.O. BOX 141061
SALT LAKE CITY, UT 84114**CANCELLATION**SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 60 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.

BY: Brian M. Paquette

MM1(3/02)

VALID AS OF: 12/27/05

ADDITIONAL INFORMATION

CLE-000094103-07

DATE (MM/DD/YY)

12/27/05

PRODUCER

Marsh USA Inc.
Three James Center
1051 East Cary Street, Suite 900
Richmond, VA 23219
Attn: RICHMOND.CERTREQUEST@MARSH.COM

GAWC

COMPANIES AFFORDING COVERAGE

COMPANY

E

COMPANY

F

COMPANY

G

COMPANY

H**INSURED**

OVERNITE CORPORATION
OVERNITE TRANSPORTATION COMPANY
P.O. BOX 1216
RICHMOND, VA 23218

TEXT

EXCESS WORKERS COMPENSATION - POLICY #WCUC44335463, POLICY TERM 12/31/05 TO 12/31/06
COMPANY A - ACE AMERICAN INSURANCE COMPANY

EXCESS WORKERS COMPENSATION - SELF-INSURED RETENTION

\$750,000 - GA, KS, KY, NC, OH, PA, SC, TN, TX, WA & WV

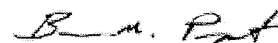
\$1,000,000 - AL, MD & VA

CERTIFICATE HOLDER

STATE OF UTAH
DEPARTMENT ADMINISTRATIVE SERVICES
DIVISION OF PURCHASING
CAPITAL HILL
3150 STATE OFFICE BUILDING
P.O. BOX 141061
SALT LAKE CITY, UT 84114

MARSH USA INC. BY

Brian M. Paquette



STATE OF UTAH



SOLICITATION NO. DR6916

LTL Trucking Services

RESPONSES ARE DUE PRIOR TO:

Mar 22, 2006 2:00:00 PM MST

RESPONSES MAY BE SUBMITTED ELECTRONICALLY TO:

www.rfpdepot.com

RESPONSES MAY BE MAILED OR DELIVERED TO:

State of Utah
Division of Purchasing
3150 State Office Building, Capitol Hill
Salt Lake City, Utah 84114-1061

Bid DR6916 LTL Trucking Services

Bid Number DR6916
Bid Title LTL Trucking Services

Bid Start Date Mar 1, 2006 7:23:03 AM MST
Bid End Date Mar 22, 2006 2:00:00 PM MST

Bid Contact Daniel Reisner
Purchasing Manager
Division of Purchasing
801-538-3216
dreisner@utah.gov

Contract Duration 1 year
Contract Renewal 4 annual renewals
Prices Good for 30 days

Changes made on Mar 15, 2006 12:22:27 PM MST

New Documents LTL Shipping by Region and Class.pdf

Item Response Form

Item DR6916-1-01 - Interstate and Intrastate LTL Trucking Services
Quantity 1 pound
Prices are not requested for this item.
Delivery Location State of Utah
N/A
*
* UT *
Qty 1

Description
Interstate and intrastate transportation of less-than-truckload (LTL) general commodities.



State of Utah

Invitation to Bid

State Cooperative Contract

Company Name _____		Federal Tax Identification Number _____	
Ordering Address _____	City _____	State _____	Zip Code _____
Remittance Address (if different from ordering address) _____	City _____	State _____	Zip Code _____
Type <input type="radio"/> Corporation <input type="radio"/> Partnership <input type="radio"/> Proprietorship <input type="radio"/> Government		Company Contact Person _____	
Telephone Number (include area code) _____	Fax Number (include area code) _____	Email Address _____	
Discount Terms (for bid purposes, bid discounts less than 30 days will not be considered) _____		Days Required for Delivery After Receipt of Order (see attached for any required minimums) _____	
Brand/Trade Name _____		Price Guarantee Period (see attached specifications for any required minimums) _____	
Minimum Order _____		Company's Internet Web Address _____	
The undersigned certifies that the goods or services offered are produced, mined, grown, manufactured, or performed in Utah. Yes <input type="radio"/> No <input type="radio"/> . If no, enter where produced, etc. _____			
Offeror's Authorized Representative's Signature _____		Print or type name and title _____	Date _____
State of Utah Division of Purchasing Approval Douglas G. Richins, Director		Date _____	Contract Number _____

Note: When approved and signed by the State Director of Purchasing, this document becomes the contract.

INVITATION TO BID - INSTRUCTIONS AND GENERAL PROVISIONS STATE COOPERATIVE CONTRACT

1. SUBMITTING THE BID: (a) The Utah Division of Purchasing and General Services (DIVISION) prefers that bids be submitted electronically. Electronic bids may be submitted through a secure mailbox at RFP Depot, LLC (www.rfpdepot.com) until the date and time as indicated in this document. It is the sole responsibility of the supplier to ensure their bid reaches RFP Depot, LLC before the closing date and time. There is no cost to the supplier to submit Utah's electronic bids via RFP Depot, LLC. (b) If the supplier chooses to submit the bid directly to the DIVISION in writing: The bid must be signed in ink, sealed in a properly addressed envelope, and delivered to the Division of Purchasing, 3150 State Office Building, Capitol Hill, Salt Lake City, UT 84114-1061 by the "Due Date and Time." The "Bid Number" and "Due Date" must appear on the outside of the envelope. All prices and notations must be in ink or typewritten. Each item must be priced separately. Unit price shall be shown and a total price shall be entered for each item bid. Errors may be crossed out and corrections printed in ink or typewritten adjacent and must be initialed in ink by person signing bid. Unit price will govern, if there is an error in the extension. Written bids will be considered only if it is submitted on the forms provided by the DIVISION. (c) Bids, modifications, or corrections received after the closing time on the "Due Date" will be considered late and handled in accordance with the Utah Procurement Rules, section R33-3-109. (d) Facsimile transmission of bids to DIVISION will not be considered.

2. BID PREPARATION: (a) Delivery time is critical and must be adhered to as specified. (b) Wherever in this document an item is defined by using a trade name of a manufacturer and/or model number, it is intended that the words, "or equivalent" apply. "Or equivalent" means any other brand that is equal in use, quality, economy and performance to the brand listed as determined by the DIVISION. If the supplier lists a trade name and/or catalog number in the bid, the DIVISION will assume the item meets the specifications unless the bid clearly states it is an alternate, and describes specifically how it differs from the item specified. All bids must include complete manufacturer's descriptive literature if quoting an equivalent product. All products are to be of new, unused condition, unless otherwise requested in this solicitation. (c) By submitting the bid the supplier certifies that all of the information provided is accurate, that they are willing and able to furnish the item(s) specified, and that prices quoted are correct. (d) This bid may not be withdrawn for a period of 60 days from bid due date.

3. FREIGHT COST: Suppliers are to provide line item pricing FOB Destination Freight Prepaid. Unless otherwise indicated on the contract/purchase order, shipping terms will be FOB Destination Freight Prepaid.

4. SOLICITATION AMENDMENTS: All changes to this solicitation will be made through written addendum only. Bidders are cautioned not to consider verbal modifications.

5. PROTECTED INFORMATION: Suppliers are required to mark any specific information contained in their bid which they are claiming as protected and not to be disclosed to the public or used for purposes other than the evaluation of the bid. Each request for non-disclosure must be made by completing the "Confidentiality Claim Form" located at: <http://www.purchasing.utah.gov/contractinfo/ConfidentialityClaimForm.doc> with a specific justification explaining why the information is to be protected. Pricing and service elements of any bid will not be considered proprietary. All material becomes the property of the DIVISION and may be returned only at the DIVISION's option. Bids submitted may to be reviewed and evaluated by any persons at the discretion of the DIVISION.

6. SAMPLES: Samples of item(s) specified in this bid, when required by DIVISION, must to be furnished free of charge to DIVISION. Any item not destroyed by tests may, upon request made at the time the sample is furnished, be returned at the bidder's expense.

7. AWARD OF CONTRACT: (a) The contract will to be awarded with reasonable promptness, by written notice, to the lowest responsible bidder that meets the specifications. Consideration will to be given to the quality of the product(s) to be supplied, conformity to the specifications, the purpose for which required, delivery time required, discount terms and other criteria set forth in this invitation to bid. (b) The bids are opened publicly. The name of each bidder and the amount of the bid is recorded. Each bid, and the record, is open to public inspection. (c) The DIVISION may accept any item or group of items, or overall low bid. The DIVISION has the right to cancel this invitation to bid at any time prior to the award of contract. (d) The DIVISION can reject any and all bids. And it can waive any informality, or technicality in any bid received, if

the DIVISION believes it would serve the best interest of the State. (e) Before, or after, the award of a contract the DIVISION has the right to inspect the bidder's premises and all business records to determine the holder's ability to meet contract requirements. (f) DIVISION does not guarantee to make any purchase under awarded contract(s). Estimated quantities are for bidding purposes only, and not to be interpreted as a guarantee to purchase any amount. (g) Utah has a reciprocal preference law which will be applied against bidders bidding products or services produced in states which discriminate against Utah products. For details see Section 63-56-404 and 63-56-405, Utah Code Annotated. (h) Bid tabulations and awards are posted www.purchasing.utah.gov/BidProcessing/BidTabulations.asp. (i) Multiple contracts may be awarded if the DIVISION determines it would be in its best interest.

8. DIVISION APPROVAL: Purchase orders placed, or contracts written, with the State of Utah, as a result of this bid, will not be legally binding without the written approval of the director of the DIVISION.

9. DEBARMENT: The CONTRACTOR certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the CONTRACTOR cannot certify this statement, attach a written explanation for review by the DIVISION.

10. ENERGY CONSERVATION AND RECYCLED PRODUCTS: The contractor is encouraged to offer Energy Star certified products or products that meet FEMP (Federal Energy Management Program) standards for energy consumption. The State of Utah also encourages contractors to offer products that are produced with recycled materials, where appropriate, unless otherwise requested in this solicitation.

11. GOVERNING LAWS AND REGULATIONS: All State purchases are subject to the Utah Procurement Code, Title 63 Chapter 56 U.C.A. 1953, as amended, and the Procurement Rules as adopted by the Utah State Procurement Policy Board. These are available on the Internet at www.purchasing.utah.gov.

(Revision: 2 February 2006 - ITB Instructions)

Standard Contract Terms and Conditions State of Utah, State Cooperative Contract

1. AUTHORITY: Provisions of this contract are pursuant to the authority set forth in 63-56, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the STATE to purchase certain specified services, and other approved purchases for the STATE.

2. CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE: The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake Co.

3. LAWS AND REGULATIONS: The Contractor and any and all supplies, services, equipment, and construction proposed and furnished under this contract will comply fully with all applicable Federal and State laws and regulations.

4. RECORDS ADMINISTRATION: The Contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records will be retained by the Contractor for at least four years after the contract terminates, or until all audits initiated within the four years have been completed, whichever is later. The Contractor agrees to allow the State and Federal auditors, and State agency staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.

5. CONFLICT OF INTEREST: Contractor certifies that it has not offered or given any gift or compensation prohibited by the laws of the State of Utah to any officer or employee of the STATE or participating political subdivisions to secure favorable treatment with respect to being awarded this contract.

6. INDEPENDENT CONTRACTOR: Contractor will be an independent Contractor, and as such will have no authorization, express or implied to bind the STATE to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for the STATE, except as expressly set forth herein. Compensation stated herein will be the total amount payable to the Contractor by the STATE. The Contractor will be responsible for the payment of all income tax and social security tax due as a result of payments received from the STATE for these contract services. Persons employed by the STATE and acting under the direction of the STATE will not be deemed to be employees or agents of the Contractor.

7. INDEMNITY CLAUSE: The Contractor will release, protect, indemnify and hold the STATE and the respective political subdivisions and their officers, agencies, employees, harmless from and against any damage, cost or liability, including reasonable attorney's fees for any or all injuries to persons, property or claims for money damages arising from acts or omissions of the Contractor, his employees or subcontractors or volunteers.

8. EMPLOYMENT PRACTICES CLAUSE: The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.

9. SEVERABILITY: If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

10. RENEGOTIATION OR MODIFICATIONS: The terms of this contract will not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the State Director of Purchasing. Automatic renewals will not apply to this contract.

11. DEBARMENT: The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the STATE. The Contractor must notify the State Director of Purchasing within 30 days if debarred by any governmental entity during the Contract period.

12. TERMINATION: Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon 90 days prior written notice being given the other party. On termination of this contract, all

accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.

13. NONAPPROPRIATION OF FUNDS: The Contractor acknowledges that the State cannot contract for the payment of funds not yet appropriated by the Utah State Legislature. If funding to the State is reduced due to an order by the Legislature or the Governor, or is required by State law, or if federal funding (when applicable) is not provided, the State may terminate this contract or proportionately reduce the services and purchase obligations from the State upon 30 days written notice. In the case that funds are not appropriated or are reduced, the State will reimburse Contractor for products delivered or services performed through the date of cancellation or reduction, and the State will not be liable for any future commitments, penalties, or liquidated damages.

14. TAXES: Proposal prices will be exclusive of state sales, use and federal excise taxes. The State of Utah's sales and use tax exemption number is E33399. The tangible personal property or services being purchased are being paid from STATE funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract, or contract orders. The State of Utah's Federal excise exemption number is 87-780019K.

15. WARRANTY: The Contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The Contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the Contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the STATE has relied on the Contractor's skill or judgment to consider when it advised the STATE about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the STATE has not been warned. Remedies available to the STATE include the following: The Contractor will repair or replace (at no charge to the STATE) the product whose nonconformance is discovered and made known to the Contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.

16. PARTICIPANTS: This is a contract to provide the State of Utah government departments, institutions, agencies and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) with the goods and/or services described in the proposal.

17. POLITICAL SUBDIVISION PARTICIPATION: Participation under this contract by political subdivisions (i.e., colleges, school districts, counties, cities, etc.) will be voluntarily determined by the political subdivision. The Contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

18. QUANTITY ESTIMATES: The STATE does not guarantee to purchase any amount under the contract to be awarded. Estimated quantities are for proposing purposes only and are not to be construed as a guarantee to purchase any amount.

19. DELIVERY: The prices proposed will be the delivered price to any state agency or political subdivision. Unless otherwise specified by the State, all deliveries will be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the Buyer except as to latent defects, fraud, and Contractor's warranty obligations. The minimum shipment amount will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back ordered will be shipped without transportation charges.

20. REPORTS: The Contractor will submit quarterly reports to the State Purchasing Agent showing the quantities and dollar volume of purchases by each agency and political subdivision.

21. PROMPT PAYMENT DISCOUNT: Offeror may quote a prompt payment discount based upon early payment; however, discounts offered for less than 30 days will not be considered in making the award. The prompt payment discount will apply to payments made with purchasing cards and checks. The date from which discount time is calculated will be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date will be the date of acceptance of the merchandise.

22. FIRM PRICES: Unless otherwise stated in the special terms and conditions, for the purpose of award, offers made in accordance with this solicitation must be good and firm for a period of ninety (90) days from the date of proposal opening.

23. PRICE GUARANTEE, ADJUSTMENTS: The contract pricing resulting from this proposal will be guaranteed for the

period specified. Following the guarantee period, any request for price adjustment must be for an equal guarantee period, and must be made at least 30 days prior to the effective date. Requests for price adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the contract will not be effective unless approved by the State Director of Purchasing. The STATE will be given the immediate benefit of any decrease in the market, or allowable discount.

24. ORDERING AND INVOICING: Orders will be placed by the using agencies directly with the Contractor. All orders will be shipped promptly in accordance with the delivery guarantee. The Contractor will then promptly submit invoices to the ordering agency. The STATE contract number and the agency ordering number will appear on all invoices, freight tickets, and correspondence relating to the contract order. The prices paid by the STATE will be those prices on file with the Division of Purchasing. The STATE has the right to adjust or return any invoice reflecting incorrect pricing.

25. PAYMENT: Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance. Payments may be made via a State of Utah (or political subdivision) "Purchasing Card" (major credit card). All payments to the Contractor will be remitted by mail unless paid by Purchasing Card.

26. MODIFICATION OR WITHDRAWAL OF PROPOSALS: Proposals may be modified or withdrawn prior to the time set for the opening of proposals. After the time set for the opening of proposals, no proposals may be modified or withdrawn.

27. PROPOSAL PREPARATION COSTS: The STATE is not liable for any costs incurred by the offeror in proposal preparation.

28. INSPECTIONS: Goods furnished under this contract will be subject to inspection and test by the Buyer at times and places determined by the Buyer. If the Buyer finds goods furnished to be incomplete or not in compliance with proposal specifications, the Buyer may reject the goods and require Contractor to either correct them without charge or deliver them at a reduced price which is equitable under the circumstances. If Contractor is unable or refuses to correct such goods within a time deemed reasonable by the Buyer, the Buyer may cancel the order in whole or in part. Nothing in this paragraph will adversely affect the Buyer's rights including the rights and remedies associated with revocation of acceptance under the Uniform Commercial Code.

29. PATENTS, COPYRIGHTS, ETC.: The Contractor will release, indemnify and hold the Buyer, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnished or used in the performance of this contract.

30. ASSIGNMENT/SUBCONTRACT: Contractor will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the State Director of Purchasing.

31. DEFAULT AND REMEDIES: Any of the following events will constitute cause for the STATE to declare Contractor in default of the contract: 1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract. The STATE will issue a written notice of default providing a period in which Contractor will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for liquidated or other damages. If the default remains, after Contractor has been provided the opportunity to cure, the STATE may do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages, if liquidated damages are listed in the contract; 4. Suspend Contractor from receiving future proposal solicitations.

32. FORCE MAJEURE: Neither party to this contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The STATE may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.

33. HAZARDOUS CHEMICAL INFORMATION: The Contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to the user agency. All safety data sheets and labels will be in accordance with each participating state's requirements.

34. NON-COLLUSION: By signing the proposal, the offeror certifies that the proposal submitted has been arrived at independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the Solicitation, designed to limit independent proposing or competition.

35. PUBLIC INFORMATION: Except as identified in writing and expressly approved by the State Division of Purchasing, Contractor agrees that the contract and related Sales Orders and Invoices will be public documents, as far as distribution of copies, and Contractor gives the STATE express permission to make copies of the contract, the response to the solicitation, and related Sales Orders and Invoices in accordance with the State of Utah Government Records Access and Management Act. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary

information, or copyright information.

36. PROCUREMENT ETHICS: The Contractor understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the State of Utah is violating the law if the person gives or offers to give any compensation, gratuity, contribution, loan or reward, or any promise thereof to any person acting as a procurement officer on behalf of the State, or who in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization (63-56-1002, Utah Code Annotated, 1953, as amended).

37. ENERGY CONSERVATION AND RECYCLED PRODUCTS: The contractor is encouraged to offer Energy Star certified products or products that meet FEMP (Federal Energy Management Program) standards for energy consumption. The State of Utah also encourages contractors to offer products that are produced with recycled materials, where appropriate, unless otherwise requested in this solicitation.

38. CONFLICT OF TERMS: Contractor Terms and Conditions that apply must be in writing and attached to the contract. No other Terms and Conditions will apply to this contract including terms listed or referenced on a Contractor's website, terms listed in a Contractor quotation/sales order, etc. In the event of any conflict in the contract terms and conditions, the order of precedence shall be: 1. Attachment A: State of Utah Standard Contract Terms and Conditions; 2. State of Utah Contract Signature Page(s); 3. Additional State Terms and Conditions; 4. Contractor Terms and Conditions.

39. ENTIRE AGREEMENT: This Agreement, including all Attachments, and documents incorporated hereunder, and the related State Solicitation constitutes the entire agreement between the parties with respect to the subject matter, and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written. The terms of this Agreement shall supersede any additional or conflicting terms or provisions that may be set forth or printed on the Contractor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of the Contractor that may subsequently be used to implement, record, or invoice services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of the State. The parties agree that the terms of this Agreement shall prevail in any dispute between the terms of this Agreement and the terms printed on any such standard forms or documents, and such standard forms or documents shall not be considered written amendments of this Agreement.

Revision date: 2 Feb 2006

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH**

1

I. PURPOSE

The purpose of this Invitation to Bid (ITB) is to obtain bids from qualified Carriers to enter into a one year contract for the transportation of less-than-truckload (LTL) dry freight shipments designed to meet the needs of the State of Utah (Shipper).

II. SCOPE OF WORK

The scope of this ITB includes the interstate and intrastate transportation of outbound prepaid, inbound collect and third party prepay shipments where the Shipper is the payor of the freight charges on the bill of lading at the time of shipment and will apply for LTL shipments of dry freight all kinds (FAK) for the State of Utah. This price agreement is only intended to cover standard less-than-truckload (LTL) shipments of general commodities.

Carrier shall also agree to furnish the specialized transportation services as described herein to other state governmental agencies and political subdivisions of the State of Utah such as colleges, universities, school districts, cities, counties, etc., under the same terms and conditions. These entities are understood to be included in the meaning of Shipper for the purposes of this agreement.

The estimated total LTL shipping in calendar year 2005 is as follows:

<u>Shipments</u>	<u>Avg. Miles</u>	<u>Avg. Wt</u>	<u>Average Class</u>	<u>Spend</u>
1214	1293	1224	72	\$317,210

The foregoing estimated tonnage and spend is not a guarantee of a specific number of shipments or total volume. The Shipper does not guarantee to ship any specific number of LTL shipments, i.e., no minimum annual volume.

The State may award one or more contracts as a result of this ITB.

III. PERIOD OF PERFORMANCE

The initial contract shall be for a period of one year and may be renewed for up to four additional annual periods upon mutual agreement of both the Carrier and Shipper for a maximum period of five years. The agreement may be cancelled by either party at any time, including the initial term, upon thirty (30) days written notice.

IV. CONTRACT ACCEPTANCE

**DR6916 SPECIAL TERMS AND CONDITIONS
LESS-THAN-TRUCKLOAD (LTL) FREIGHT SERVICES
FOR THE STATE OF UTAH**

2

At the time the bid submitted by the Carrier, the submission of the Carrier will legally binding if awarded a contract. When signed by the State Director of Purchasing and assigned a contract number, this document will become a legally binding contract with the Carrier for the contract period specified. **The effective date for the new contract will be May 1, 2006.**

V. PRICING

Pricing shall be considered firm for the first year of the contract unless modified by the parties in writing. Price adjustments may be allowed for subsequent years provided the adjustment is made owing to legitimate increases in the Carriers operating expenses, e.g., fuel (i.e. DOE Diesel Price Index), taxes, labor, etc. and the Carrier agrees to adjust pricing accordingly should legitimate decreases in operating expenses occur.

The meaning of the terms "contract" and "price agreement" for the purpose of this bid and subsequent contract award are the same.

Written notice of any increase must be received by the Freight Manager, State of Utah, Division of Purchasing at least thirty (30) days prior to the effective date of the increase. Increases shall not be effective unless they are approved by the Director of State Purchasing. The terms and conditions of this agreement will not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the parties.

The prices paid by the Shipper will be those prices listed in the Schedule of Rates and referenced documents attached to this contract on file with the Division of State Purchasing.

VI. PRICING REQUIREMENTS

Carriers shall complete and submit as part of their bid the attached Pricing and Information Summary Worksheet. This may be either electronically or hard copy.

All United States and Canadian rates, charges or discounts in this ITB shall be based on the Overnite Transportation Company rates in OVNT560 (Version 9.0) effective May 2, 2005.

The rates will be based on classifications set forth in the STB National Motor Freight

Classification (NMF 100-AF) series or subsequent reissues. Any Carrier awarded a contract must be a party to and be listed as a participating carrier in the NMFC.

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The Carrier Rules and Accessorial Services Tariff and Service Guide in effect at time of contract award will apply and become part of this contract by reference.

Carrier awarded contract will provide either electronic or hard copies of Rules Tariff and Service guide to qualified users upon request. The Rules Tariff and Service Guide in effect at time of contract award will apply for the term of the contract unless otherwise agreed to by the parties.

VII. COMPLIANCE WITH LAW

The Carrier shall comply with all laws, rules and regulations (federal, state and municipal), that may have application to the transportation services provided for the Shipper, and shall indemnify and hold harmless the Shipper from and against any failure of the Carrier to comply with any such laws, rules and regulations, to the extent provided by law. The Shipper shall not be responsible to the Carrier for fines and penalties incurred by Carrier or its employees for speeding, reckless driving or any other infraction or violation of the law, and Carrier shall indemnify and hold harmless the State from and against any and all liability with respect thereto.

VIII. QUALIFICATIONS OF CARRIERS

The Shipper and Carrier agree that each and every shipment for which applicable pricing is listed in the pricing attachment, and Shipper is the paying party, tendered to the Carrier under the contract shall be deemed a tender to the Carrier as a motor contract carrier pursuant to the provisions of 49 U.S.C. Section 14101(b) regardless of whether Carrier has common carrier authority. The Carrier represents and warrants that it holds all necessary operating authority to transport, as a motor contract carrier, freight as described in this contract in interstate or foreign commerce from, to or between all points and places in the United States and to lawfully furnish to Shipper all of the transportation and related services for LTL dry freight commodities. Carrier further warrants that a true, correct and complete copy of its operating permit is attached to the bid response. Carrier agrees to immediately notify Shipper of any suspension or revocation of any such permit or operating authority during the course of any awarded contract. Carrier further represents and warrants that it has not, and during the term of this contract, will not request,

pursuant to 49 U.S.C. Section 14501 (c)(B)(ii), to be subject to any law, regulation or provision that purports to create any right or obligation that is inconsistent with the

provision of this contract.

The Carrier must be able to demonstrate an established, successful track record of past performance in duties and responsibilities related to interstate transportation of shipments

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as described herein. This can be established by providing a copy of the Carrier annual report, reports to the STB, or balance sheets and income and expense statements. Bidders must submit a statement of qualifications which will include as a minimum the names, telephone numbers, and addresses of three references of companies or institutions for whom similar services have been performed within the past 24 months. Preferably at least one reference provided will be from a local firm, agency or division, and at least one reference provided from a national firm or agency.

Carrier must be able to serve all LTL transportation needs of the state on a through rate basis with one bill of lading and one freight bill per shipment. All shipments, interstate and intrastate, tendered by the State to the Carrier, via the Carrier's designated web site or toll free number, in either direct or interline service will be covered by the contract.

IX. INSURANCE

Prior to performing any transportation services under contract, Carrier shall furnish to Shipper certificates from insurance companies satisfactory to Shipper evidencing that Carrier is covered by insurance of the kinds and amounts set forth below. Each such policy shall contain a provision that no cancellation or material change in coverage shall be made without at least thirty (30) days prior written notice to Shipper. Without limiting the generality of the foregoing, such insurance shall fully insure Carrier against Carrier liability imposed by law and all liability assumed. Carrier shall require all sub-haulers they use, if any, to obtain and maintain insurance of the types and amounts set forth below:

Insurance required:

1. General Public Liability Insurance
Minimum Limits of Coverage:

Bodily Injury	\$1,000,000
Property Damage	500,000

2. Auto Liability Insurance
Minimum Limits of Coverage:

Bodily Injury	\$1,000,000
Property Damage	500,000

3. Cargo Insurance
Minimum Amount of Coverage \$100,000

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4. Workmen's Coverage
Statutory Limits

All liability policies provided must name the Shipper (State of Utah) as both a certificate holder and as an additional insured.

X. PREFERRED CONDITIONS, NEEDS/REQUIREMENTS

A. SERVICES

1. Provision of firm rates for one year to meet the State's need to accurately budget and control transportation costs.
2. Problem Resolution: Normal problem resolution regarding shipment pick-up, delivery (associated with day-to-day Carrier operations), claims handling, and incorrect billing, will normally be resolved via local or toll-free long distance service. The bidder shall include Internet home page information and the local names and telephone, e-mail numbers of individuals who are familiar with this contract and who are authorized to resolve problems including, but not limited to, issuance of corrected freight bills, or claims handling assistance. The Carrier shall closely coordinate all services and communications with Shipper personnel.
3. Contract Authority: Include the name(s) and telephone number(s) of the individual(s) authorized to negotiate rates, enter into contracts, and otherwise commit the Carrier to rate agreements.
4. Time is of the essence in Carrier's performance under the contract unless more specifically provided in the contract, or bill of lading. Carrier shall be responsible to transport shipments for the Shipper with prompt and reasonable dispatch; provided, however, that in no event shall the Carrier be required to transport any shipment from origin to destination in less

time than is necessary to fully comply with all applicable safety regulations, giving due consideration to weather and road conditions.

Carrier shall provide good, serviceable equipment as the Shipper may require, properly manned and maintained in good operative condition at times, and shall furnish all necessary accessories or devices to adequately secure and protect Shipper's property.
5. Maintenance of a safety program. This should include, but not necessarily be limited to vehicle maintenance and inspection, procedures for driver

all

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selection, screening and monitoring.

6. Maintenance of a Satisfactory safety rating with DOT.
7. Carrier must provide a toll free number (or web site) for State use to schedule all shipments moving under this agreement. The Shipper agrees to schedule all shipments accordingly through the provided number web site. It is understood the meaning of "shipment must originate with the carrier" includes all shipments tendered to the carrier by the Shipper and will include, if any, interline carriers, at origin or destination, selected by the Carrier to haul shipments within the scope of this contract.
8. All claims for FAK rated shipments will be processed for commodity items claimed based on their applicable NMFC item and class number. No Carrier rules tariff provision otherwise will apply to the contract.

B. TRACKING CAPABILITY

Carriers shall describe their electronic shipment tracking capability as part of their bid.

C. EQUIPMENT AND FACILITIES

Carriers must be able to demonstrate the ability to provide the transportation services commensurate with the needs of the State (Shipper) as specified herein. Carriers should include as part of their bid information substantiating their ability to provide adequate levels of service. Such information should include but not be limited to:

1. Number of trucks and trailers (including their age) in fleet to meet transportation needs specified and;
2. Description of facilities and operations that may be utilized in the performance of transportation services.

This requirement may be met by stating the above information is available and its location on the Carrier's web site.

D. LOSS OR DAMAGE TO SHIPMENTS

The contractual terms of carriage shall be the same as those contained in the

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Domestic Straight Bill of Lading as published in the National Motor Freight Classification (NMFC) in effect during the period covered by this contract. In the event of a conflict between the bill of lading and this contract, this contract shall govern. Such terms apply whether a Uniform Straight Bill of Lading or any other form is issued, and 49 CFR 370 will apply for the purpose of filing loss and damage claims. Carrier assumes responsibility and shall be liable to the Shipper as a motor common carrier for any and all loss of or damage to Shipper's property in accordance with Section 14706 of Title 49 in effect as of the date of this contract, while in Carrier's possession or control or resulting from Carrier's performance or failure to perform hereunder, unless such loss or damage is caused by an act of God, act of war, insurrection, riot, civil war, inherent vice of the property being transported, any act or omission of Shipper or any cause beyond Carrier's control.

The parties acknowledge the Carrier liability is limited in consideration of a lower rate than would otherwise be applicable and that additional liability coverage is available at additional expense. Carrier shall show insurance valuation, in dollars per pound, as well as the cost for additional shipment insurance coverage and any additional liability limitations offered on the Pricing Information Sheet

Claims must be filed within nine months after delivery of the shipment, or in the event of loss, nine (9) months after a reasonable time for delivery has lapsed, and the filing of such a claim is a condition precedent to the institution of a lawsuit. Any suit for claims hereunder shall be filed within two (2) years and a day of notification of disallowance of such claim.

The terms and conditions of the Uniform Straight Bill of Lading shall apply to all shipments, except to the extent that they conflict with those of this agreement. All other bills of lading and freight documents shall serve as receipts for freight only.

Carrier shall provide claims history for the past two years, i.e. ratio of claims to shipments, and the average length of time, in days, it takes to settle claims for loss or damage.

E. PAYMENT OF FEES AND TAXES

Carrier shall pay any and all inspection and license fees and taxes assessed or charged by any governmental authority (federal, state or municipal) for the

transportation services rendered in this contract and shall indemnify and hold harmless Shipper from and against any and all liabilities and claims thereof and shall make all reports required within respect thereto.

F. MANDATORY USAGE REPORT

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One of the primary goals in administering this contract is to keep accurate records regarding its actual value. The Carrier will be required to provide quarterly usage reports to the Division of Purchasing. All quarterly reports must be submitted, using the Division of Purchasing template, in electronic format via e-mail to:

salesreports@utah.gov The guidelines to be use are listed below. Failure to comply with these guidelines will result in the suspension of cancellation of the contract.

After contract award, Carrier will be provided by e-mail an **Excel** spreadsheet template that includes instructions, sample date and all information that must be provided.

Quarterly Report Submission

All reports submitted are to coincide with the calendar year quarters and date ranges outlined below:

Quarter #1: January 1st through March 31st, due by April 30th

Quarter #2: April 1st through June 30th, due by July 30th.

Quarter #3: July 1st through September 30th, due by October 30th.

Quarter #4: October 1st through December 31st, due by January 30th

Do not provide reports that contain data from two separate calendar years.

Carrier is required to provide the name, e-mail address and other contact information of the person responsible for submitting the quarterly reports and keeping the data up to date.

G. PAYMENT OF FREIGHT CHARGES

The State agrees to pay the Carrier for freight services provided in the amount specified in accordance with the Schedule of Rates and Rules Tariff attached to this contract. Carrier must invoice each state department, agency or political subdivision as provided on the bill of lading and utilizing the terms and provisions of this contract. All freight bills for services rendered must include or be accompanied by detail for each shipment including at least the name and address

of the shipper, purchase order number, pick-up point, the consignee, shipment date, shipment weight, total items, NMFC number(s), contract freight rate or charge, and total transportation charge.

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H. DETAILED INFORMATION

Bids submitted should contain a detailed discussion of each of the preferred conditions as well as other areas of the ITB where information is requested or the Carrier will be considered non-responsive. Carriers may add additional information as they deem necessary.

XI. CONFLICT OF TERMS

In the event of a conflict between any Carrier terms and conditions and State standard terms and conditions or special terms and conditions the State terms and conditions will govern. If there is any conflict between the State standard terms and conditions and special terms and conditions, the special terms and conditions will govern.

XII. ENTIRE AGREEMENT

This contract and its schedules constitute the complete agreement and understanding between the Shipper and Carrier.

XIII. SUBMISSION OF BIDS

The State Division of Purchasing prefers that bids be submitted electronically. Electronic proposals may be submitted through a secure mailbox at RFP Depot, LLC (www.rfpdepot.com) until the date no later than **2:00 P.M., Wednesday, March 22, 2006**. Bids received after the deadline will be late and ineligible for consideration. It is the sole responsibility of the Carrier to ensure their bid reaches RFP Depot, LLC before the closing date and time. There is no cost to the Carrier to submit electronic bids to the

Division of Purchasing via RFP Depot, LLC. If the Carrier chooses to submit the bid

directly to the State Division of Purchasing in writing send the original bid to: State of Utah, Division of Purchasing, 3150 State Office Building, Capitol Hill, Salt Lake City UT

84114-1061 prior to the closing date and time specified. Bids may be modified or withdrawn prior to the time set for opening of bids.

All questions must be submitted through the electronic procurement system. Questions concerning this ITB will be accepted up through 5:00 P.M., March 15, 2006. No questions will be answered after that time. Questions may be answered as they come in or may be compiled into one document and answered via an addendum. Carriers will be notified by email when the addendum has been posted. Carriers should periodically check the electronic procurement system for any answered questions or addenda.

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XIV. CONSIDERATION OF BIDS

In the initial phase of the Carrier selection process, all bids received on time will be reviewed. First, non-responsive bids (those not conforming bid specifications) will be eliminated. Second, the remaining bids will be reviewed and those bids that do not provide sufficient evidence to be able to perform services outlined in the bid specifications will be eliminated.

XV. EVALUATION OF BIDS

Evaluation of bids will be based on most favorable price taking into consideration service capabilities including variety and depth of service available and stated ability to meet preferred conditions.

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XVI: NOTICES

All notices concerning this price agreement shall be in writing and deemed sufficient if given in writing and sent to the party being noticed in person, or received by recipient via first-class mail, with sufficient postage properly affixed, including express delivery service, or electronic mail, at the address shown below. Carrier must complete the following:

SHIPPER NOTICES

Daniel R. Reisner
Freight Manager
State of Utah
Division of Purchasing
3150 State Office Building
Capitol Hill
Salt Lake City, UT 84114-1061
Phone: 801-538-3216
Fax: 801-538-3882
E-mail: dreisner@utah.gov

CARRIER NOTICES

(Carrier to complete)

Name of person, e-mail address and other contact information for the person(s) responsible for submitting required quarterly reports **must be provided:**

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PRICING AND INFORMATION WORKSHEET

APPLICABLE ACCOUNT NAME(S)

State of Utah, other state governmental agencies and political subdivisions such as colleges, universities, school districts, cities, counties, etc.

GOVERNING PUBLICATIONS incorporated by reference:

National Motor Freight Classification -- STB NMF 100-AF Series or subsequent re-issues.
Postal Zip Code Directory
Service Guide in effect at time of contract award.
Rules Tariff in effect at time of contract award.

COMMODITY DESCRIPTION

Freight All Kinds (general commodities)

INSURANCE: Coverage included with base rates in dollars and cents per pound .

Cost for additional shipment insurance: . Carrier must include any additional information concerning maximum liability on released or declared value commodities or other related information that may not be listed in Carrier's Rules Tariff.

Note: Any insurance amount per pound listed above will apply to all FAK offered by carrier, except as may be limited for the commodity item shipped in the NMFC released value coverage.

NON APPLICATION (Describe in detail)

List any non-application(s) of rates and charges not already listed in Rules Tariff.

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CARRIER MANAGEMENT

The carrier should provide a copy of their annual report or describe its strategic plan for future growth:

The carrier should describe its Quality Program if not already described in the annual report:

Total year 2005 Operating Revenue:

Calendar year 2005 Operating Ratio:

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APPLICATION OF RATES AND CHARGES (Carrier may attach a pricing sheet responding to all of the following).

1. INBOUND
2. OUTBOUND
3. THIRD PARTY
4. FREIGHT CLASS FAK -

DISCOUNT -- Describe application for both **direct** and **interline** shipments:

		<u>DIRECT SHIPMENTS</u>	<u>INTERLINE SHIPMENTS</u>
1.	INBOUND	<input style="width: 150px;" type="text"/>	<input style="width: 150px;" type="text"/>
2.	OUTBOUND	<input style="width: 150px;" type="text"/>	<input style="width: 150px;" type="text"/>
3.	THIRD PARTY	<input style="width: 150px;" type="text"/>	<input style="width: 150px;" type="text"/>
4.	INTRASTATE	<input style="width: 150px;" type="text"/>	<input style="width: 150px;" type="text"/>
5.	Minimum Charge:	<input style="width: 150px;" type="text"/>	<input style="width: 150px;" type="text"/>
	LTL Maximum Wt:	<input style="width: 150px;" type="text"/>	<input style="width: 150px;" type="text"/>
	Max Linear Feet:	<input style="width: 150px;" type="text"/>	<input style="width: 150px;" type="text"/>

Report For STATE OF UTAH

All LTL And Truckload Business By Region

Delivered Between 01/01/2005 And 12/31/2005

PU Region	DEL Region	Ships	Avg Miles	Avg Wt	ActualC lass	RatedC lass
NORTHEAST	WEST	165	2,153	1,116	70	60
NORTHEAST	MOTOR CARGO	8	2,320	790	83	77
NORTHEAST	Region Totals	173	2,160	1,101	71	61
MIDDLE ATLANTIC	CENTRAL	1	824	752	60	60
MIDDLE ATLANTIC	WEST	60	1,996	861	70	62
MIDDLE ATLANTIC	MOTOR CARGO	2	2,235	446	80	76
MIDDLE ATLANTIC	Region Totals	63	1,988	846	70	62
SOUTHEAST	NORTHEAST	1	1,273	560	60	55
SOUTHEAST	SOUTHEAST	3	282	899	62	55
SOUTHEAST	CENTRAL	1	1,075	784	65	55
SOUTHEAST	WEST	31	2,028	1,656	64	57
SOUTHEAST	MOTOR CARGO	1	1,728	322	70	50
SOUTHEAST	Region Totals	37	1,913	1,506	64	57
MIDWEST	NORTHEAST	2	949	578	65	65
MIDWEST	CENTRAL	11	267	1,357	64	55
MIDWEST	WEST	152	1,598	1,012	71	62
MIDWEST	Region Totals	165	1,492	1,029	71	61
CENTRAL	CENTRAL	6	561	920	65	60
CENTRAL	WEST	227	1,260	1,000	72	59
CENTRAL	MOTOR CARGO	4	1,576	202	90	55
CENTRAL	Region Totals	237	1,248	984	71	59
WEST	NORTHEAST	80	2,153	701	69	56
WEST	MIDDLE ATLANTIC	21	2,051	697	72	57
WEST	SOUTHEAST	33	1,805	590	74	61
WEST	MIDWEST	72	1,643	699	75	61
WEST	CENTRAL	78	1,326	2,436	66	60
WEST	WEST	181	629	2,258	76	62
WEST	MOTOR CARGO	29	505	818	86	73
WEST	Region Totals	494	1,030	1,544	73	62
MEXICAN / PARTNER/MOTOR CARGO		45	568	466	70	55
ALL REGIONS		1,214	1,293	1,224	72	61

Questions and Answers

Question

Is it possible to receive a little more detail with some of the following information over several months: shipment history, origin and destination zips, individual classes covered by an FAK 72? (Submitted: Mar 13, 2006 4:20:01 PM MST)

Answer

I See attached document titled "LTL Shipping by region and class" for a 12 month summary. (Answered: Mar 15, 2006 12:24:40 PM MST)